



# Power of Ideas: The US is Losing its Edge

## By Yoichi Funabashi

**If you attended a July 4th Independence Day reception at the residence of an American ambassador in any of the Asian capitals in recent years, you would have noticed that the affairs are not as glamorous as they once were, even though this represents perhaps the most politically important occasion on the American social calendar.**

COMPARE THIS TO CHINA'S October 1st National Day reception, the hottest political-social event in any Asian country today, a veritable who's who of the political elite attended by all of the top government officials and media notables.

In the same vein, compare the lukewarm media coverage of President George W. Bush's visit to Asia to the attention lavished on a visit by President Hu Jintao. Across East Asia, the expanding reach of Chinese popular culture is also in clear evidence. Chinese tourists are fanning out across the region as never before, often filling a void left by American tourists discouraged by State Department travel warnings. Likewise, tourists have been flocking to China in record numbers — nearly 12.12 million in the first half of this year alone. The popularity of Chinese language and cultural studies has skyrocketed across the world with the establishment of 130 Confucius Institutes in 50 countries in the past several years. And increasing numbers of foreign students are enrolling at Chinese universities. The United States, meanwhile, has tightened student visa policies, making it harder for foreign students to attend America's universities. Innocuous as these examples might sound in isolation, taken together they paint a telling portrait. In an age of globalization and information technology, image is indeed everything.

There's something counterintuitive to the image of China commanding such considerable influence on the international stage. After all, China is still a communist regime, with a reputation for violating human rights, an unstop-

pable military buildup, high-profile food safety scandals, product recalls of unsafe toys and, to boot, its recent top-ranking as the world's heaviest emitter of CO<sub>2</sub>, surpassing the United States, according to estimates made by the Netherlands Environmental Agency (MNP). But all this notwithstanding, China commands respect, particularly among the less-developed countries in Asia and elsewhere, because it is a country that knows how to overcome poverty and is opening its markets to the products of these countries without interfering in their internal politics.

Take, for example, China's Free Trade Agreement with the Association of Southeast Asian Nations; China's initiative to develop the Shanghai Cooperative Organization — a grouping of Eurasian heartland countries; China's assumption of a leading role in the six-party talks on denuclearizing North Korea; China's hosting of the Forum on China-Africa Cooperation, attended by leaders from 48 African countries last November; or the Olympic games to be held in Beijing next year. All of these are striking indications of the country's so-called charm offensive and increasingly sophisticated use of "soft-power" diplomacy.

Admittedly, the US remains the most important, if not indispensable, nation to the region, particularly in East Asia. It provides a measure of stability without which many countries would be left in a highly vulnerable state, plagued by rampant mistrust for one another. Nevertheless, subtle changes in the perception of US power and influence have been unmistakable, and President Bush's anti-terrorism campaign since 9/11 has done nothing to help the US regain its gravitas. To many East Asian leaders, the US is not serious about the issues that concern them most — for example, poverty, the environment, education, and drug trafficking. In 2003, when Bush doggedly pursued his anti-terror agenda at the APEC Leaders' Meeting in Thailand, Asian leaders let out a collective groan, a pointed reminder to Bush of the danger that a myopic anti-terror focus could become counter-productive. Even Australia, America's traditionally staunch ally,

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seems to be finding greener pastures in China; President Hu's 2003 visit to Australia served to strengthen links between the two countries and was positively received by the media, far outshining the corresponding visit by President Bush. Broadly speaking, China's influence is viewed by 43 percent of Australians as "mainly positive," compared to a 29 percent "mainly positive" rating for the United States, according to this year's BBC World Service world public opinion poll.

Yet this image shift for the US in Asia and elsewhere should not be seen as a strictly Bush-propelled phenomenon. Looking back to the administration of President Bill Clinton, some troubling signs had already begun to emerge. When he opted not to attend the APEC Leaders' Meeting on two occasions (in 1995 and then again in 1998), for instance, a message of indifference was sent to the Asian region. Then, when the U.S. failed to offer its support as the financial cri-

sis hit East Asia in the summer of 1997, the message was reinforced. And so it came to pass that suddenly neither the US nor Japan was a country that could be counted on. Instead, it was China that maintained the stability of its currency, the renminbi, to help serve as an anchor to stabilize other East Asian currencies, while Tokyo allowed the yen to depreciate.

In East Asia, there was a feeling of being neglected, slighted even, by US inaction and inattention. Clinton himself recognized the implications of America's failure to act decisively in offering financial assistance to Asia, particularly to Thailand, in his memoir, *My Life*: "On the economics and in terms of domestic politics it was the correct decision, but it sent the wrong message to Thais and across Asia. Bob Rubin and I didn't make too many policy errors; I believe this was one of them." In the end, it was this combination of factors that led to the emergence of the ASEAN Plus Three (China, Japan, and South Korea), with the convening of an informal summit on the sidelines of the second ASEAN informal summit in Malaysia in December 1997. This was followed by the East Asia Summit in Kuala Lumpur in December 2005, pillars of a new formation in East Asia that markedly excludes the US.

In 1990, Harvard political scientist Joseph Nye famously coined the term "soft power." In the context of the current global landscape, it is indeed the soft sources of power — like culture, ideology, and diplomacy — that ultimately earn friends and allies. As Nye so eloquently put it, "Success depends not only on whose army wins, but also on whose story wins." So what "success stories" can we look to in America's relationship with Asia? Historically, US power manifested itself in two ways. On the one hand, there was the Asia-Pacific war, which Japan initiated and the US finally won. Not only did the US act as a liberator for many people in the region, it also helped Japan to rebuild and reincorporate itself into the international system, effectively facilitating Japan's "second miracle." In this way, a former enemy was transformed into a trusted

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friend and an ally. This was a true success story from America's perspective, the legacy of which is still very much alive. (So much so that some neoconservatives deluded themselves into thinking that the Japan occupation formula would repeat itself in Iraq.)

However, there is another very different "story" that can be found in the pages of America's history in Asia — the legacy of the Vietnam War and America's anti-communist quagmire. Many Asians are now concerned about the potential for an anti-terror (or even potentially anti-Islam) quagmire in Afghanistan and eventually in Pakistan. Indeed, strong anti-terrorist passions combined with a fear of nuclear proliferation have framed US policy toward North Korea, which Bush designated as part of the so-called "Axis of Evil." The first term of Bush's presidency was driven by this sort of neoconservative ideology. However, his second term was marked by a complete 180-degree turnaround when he started pushing for a deal with North Korea. As a result, Northeast Asian countries are finding it difficult to gauge in which direction the US will frame its long-term commitment to the region. With so many pressing issues floating about — East Asian regionalism, Asian nuclear proliferation, anti-terrorism, the rise of China, the struggle for oil and gas, maritime security and freedom of navigation — the waters have become very murky. To date, the US has not offered viable "success stories" in articulating its policy and long-term direction and much of Asia thus feels compelled to explore a hedging strategy.

Success stories are, in essence, shaped by the success of ideas, and the countries of East Asia are beginning to feel that America's loss of influence comes, more than anything else, from a lack of new ideas. For example, when the US hopped aboard the APEC bandwagon and helped to elevate it to a Leaders' Conference in 1993, it was driven more by concerns over being excluded from emerging East Asian regional cooperative endeavors (such as Malaysian Prime Minister Mahathir Mohamad's East Asia Economic Caucus initiative) than by any great principle or strategy. As a result, the US brought little to the table in the way of innovative concepts or solutions. Worse, the US is seen to be indifferent, and at times even hostile, to new ideas from Asia. Japan's economic development strategy in the post-World War II era was in some cases portrayed by revisionists as "unorthodox" and "threatening" to the American system in the late 1980s and early 1990s. Likewise, the US has never been enthusiastic about Japan's strategy of focusing on infrastructure-based Overseas Development Assistance (ODA) and its emphasis on economic and social development in the APEC context. For the US, market liberalization has always been the supreme objective of its international economic policy, and challenges to this approach are not received well in Washington.

Much like Washington's reaction to conflicting ideas emanating from Tokyo, the so-called "Beijing consensus" is now being seen in by some in the US as "heretical" and threatening to the "Washington consensus." In a 2005 column for *The Wall Street Journal*, Nye expressed the distinct wariness felt by many American thinkers towards China's mounting influence: "In parts of Asia, Africa and Latin America, the so-called 'Beijing consensus' on authoritarian government plus a market economy has become more popular than the previously dominant 'Washington consensus' of market economics with democratic government." But it must be understood that, from the perspective of many Asian countries, the ideas emerging from Tokyo or Beijing represent more than just ideology;

these Asian ideas suggest a crucial approach to poverty, development and stability. They need more than free markets and free elections.

Although the US model still holds great appeal and dynamism, it clearly should not be seen as the sole formula or archetype. As globalization washes over all Asian shores, it also brings about a host of new challenges — the widening income gap, terrorism, HIV/AIDS, unregulated migration, environmental degradation and failed states. New ideas are needed to address these new challenges, particularly in the fields of nation-building and human capacity-building — two concepts that have very much been emphasized in developing countries. Asians themselves have tried to articulate these new challenges and to come up with their own strategies and models. In 1993, for example, Japan set a precedent for the application of a uniquely Asian-conceived development strategy in launching the TICAD — Tokyo International Conference on African Development — process (held every five years), which has emphasized human-capacity building as a key to nation-building in Africa. China followed suit with a similar platform for the exchange of ideas in the form of FOCAC — Forum on China-Africa Cooperation. Without meaning to toss the economic strategies of Japan and China into one categorical slot, both TICAD and FOCAC represent approaches that are essentially Asian products.

So far, the US response to emerging ideological frameworks in Asia has been severely hampered by ambivalent feelings about East Asian regionalism, arising out of the same conflicted feelings with which it has viewed the rise of Japan and China alike. The US ambivalence to East Asian regionalism derives from its uneasiness with the prospect of a newly emerging predominant power in the region, whether it is Japan, China or India in the future. Thus, the Pentagon takes a decidedly wary stance in the Executive Summary to its 2007 Annual Report, "Military Power of the People's Republic of China," cautioning that "much uncertainty surrounds the future course China's leaders will set for their country, including in the area

## In order to address these new challenges, it is clear that new ideas are needed, particularly in the fields of nation-building and human-capacity building.

of China's expanding military power and how that power might be used." Over the next two decades, this marked ambivalence to East Asian regionalism will likely intensify as the US becomes increasingly sensitive to its relative decline as China rises.

Considering the lack of purpose in the current exercise of American power and its failure to infuse innovative ideas into the construction of a future order in Asia, there is the possibility that a period of US isolationism with respect to Asia might be triggered in the future. Historically, American isolationism has emerged in response to the encroachment of different ideas, challenged and framed by its relationship with Europe, simply because Europe has presented its own distinct set of ideas with which to challenge America. As first suggested by Richard Rovere and Arthur Schlesinger, Jr. in *The General and the President and the Future of American Foreign Policy* (1951), "Isolationism is opposed to the introduction of 'European ideas' in American politics; [America] has never had to oppose the introduction of 'Asian ideas' because scarcely anyone has tried to introduce them." Hence, the US tended to pursue interventionist policies toward Asia in the past century. Now that a realm of "Asian ideas" is being expounded, the US could face an "encroachment of different ideas" from Asia that could potentially nudge it into an isolationist stance. In this context, it is of vital importance that the US works together with Asian countries — or, at the very least, makes a serious effort to collaborate intellectually to develop new ideas.

Against this backdrop, the six-party talks offer a critical chance to lay the framework for a multilateral and regional path to a new symbiosis between the US and East Asia — that is, if a successful way can be found to denuclearize North Korea. As discussed in my book, *The Peninsula Question* (The Brookings Institution, forthcoming), the future peace and stability of Northeast Asia hinges on the outcome of this endeavor, and will be best facilitated by the strengthening of links between the alliance structure of the United States and the multilateral framework in the region. While China has winked at America's involvement in Northeast Asia since the Mao Zedong-Zhou En lai era, it has hitherto offered no more than de facto acceptance of US power and presence in the region. The six-party talks represent a significant landmark, therefore, to the extent that this is a process in which China has regarded the US commitment, and even military presence, as a necessary and possibly legitimate element to achieving concord in the region. If the regional players can work together in a concerted manner to reduce existing tensions and negotiate a strategy for enduring peace, this will be a crucial step in the right direction. The task of the six-party talks in bringing about the denuclearization of the Korean Peninsula should be seen as the first step towards this strategy. At this stage, however, the path remains dense and thorny and there is a long way yet to go.

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